

# **KCCK-FM Radio**

A Public Telecommunications Entity  
Operated as a Department of  
Kirkwood Community College

Financial Report  
June 30, 2011

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**KCCK-FM Radio**  
**A Public Telecommunications Entity**  
**Operated by as a Department of**  
**Kirkwood Community College**

**Officials**  
**June 30, 2011**

Name	Title	Term Expires
Dr. Lois Bartelme	President	2013
James Mollenhauer	Vice President	2013
Dr. Keith Stamp	Member	2013
Paul Glenn	Member	2011
John Swanson	Member	2013
Karen Gorham	Member	2011
John Hall	Member	2011
Marcia Rogers	Member	2011
Elaine Harrington	Member	2013

**Community College**

Dr. Mick Starceвич	President
Jim Choate	Board of Treasurer, V.P. and Chief Financial/Operating Officer
Sheryl Cook	Board Secretary
Susan Roben	Director of Finance
Dennis Green	Station Manager



## Independent Auditor's Report

To the Board of Trustees  
KCKK-FM Radio  
Kirkwood Community College  
Cedar Rapids, Iowa

We have audited the accompanying basic financial statements of KCKK-FM Radio, an enterprise activity and a public telecommunications entity operated as a department of Kirkwood Community College, Cedar Rapids, Iowa as of and for the years ended June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the KCKK-FM Radio's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KCKK-FM Radio's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 1, the financial statements of KCKK-FM Radio, an enterprise activity and public telecommunications entity operated as a department of Kirkwood Community College, are intended to present the financial position, changes in financial position and cash flows of only that portion of the enterprise activity of Kirkwood Community College that is attributable to the transactions of the public telecommunications entity. They do not purport to, and do not, present fairly the financial position of Kirkwood Community College as of June 30, 2011 and 2010, the changes in its financial position or cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KCKK-FM Radio, as of June 30, 2011 and 2010, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports for the years ended June 30, 2011 and 2010, dated December 8, 2011 and January 28, 2011, respectively, on our consideration of the KCKK-FM Radio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The management's discussion and analysis on pages 4 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
December 8, 2011

**KCCK-FM Radio  
A Public Telecommunications Entity  
Operated as a Department of  
Kirkwood Community College**

**Management's Discussion and Analysis  
Years Ended June 30, 2011 and 2010**

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KCCK-FM Radio, a public telecommunications entity operated as a department of Kirkwood Community College, provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal years ended June 30, 2011 and 2010. We encourage readers to consider this information in conjunction with KCCK-FM Radio's financial statements, which follow.

**2011 Financial Highlights**

- KCCK-FM Radio's operating revenues increased slightly, from \$406,415 in fiscal 2010 to \$442,565 in fiscal 2011.
- KCCK-FM Radio's operating expenses increased 1% or \$11,596 from fiscal 2010 to fiscal 2011.
- KCCK-FM Radio's net assets increased 21% or \$36,154 from June 30, 2010 to June 30, 2011.

**2010 Financial Highlights**

- KCCK-FM Radio's operating revenues decreased slightly, from \$429,038 in fiscal 2009 to \$406,415 in fiscal 2010.
- KCCK-FM Radio's operating expenses decreased 3% or \$29,091 from fiscal 2009 to fiscal 2010.
- KCCK-FM Radio's net assets decreased 6% or \$11,055 from June 30, 2009 to June 30, 2010.

**Using This Annual Report**

KCCK-FM Radio presents its financial statements using the economic resources measurement focus and accrual basis of accounting, which is the same measurement focus and basis of accounting employed by private sector business enterprises. This discussion and analysis is intended to serve as an introduction to KCCK-FM Radio's basic financial statements. This report includes a series of financial statements and other information, as follows:

- The Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of KCCK-FM Radio's financial activities.
- The statements of net assets present information on KCCK-FM Radio's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of KCCK-FM Radio is improving or deteriorating.
- The statements of revenues, expenses and changes in net assets present information on KCCK-FM Radio's operating revenues and expenses, nonoperating revenues and expenses and whether KCCK-FM Radio's financial position has improved or deteriorated as a result of the year's activities.
- The statements of cash flows present the change in KCCK-FM Radio's cash and cash equivalents during the year. This information can assist readers of the report in determining how KCCK-FM Radio financed its activities and how it met its cash requirements.
- Notes to basic financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

**KCCK-FM Radio**  
**A Public Telecommunications Entity**  
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**Kirkwood Community College**

**Management's Discussion and Analysis**  
**Years Ended June 30, 2011 and 2010**

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**Financial Analysis of KCCK-FM Radio**

Statements of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of KCCK-FM Radio's financial position. KCCK-FM Radio's net assets at the end of fiscal 2011 totaled \$212,067. This compares to \$175,913 at the end of fiscal 2010 and \$186,968 at the end of fiscal 2009. A summary of KCCK-FM Radio's net assets is presented below:

	2011	2010	2009
Current assets	\$ 265,072	\$ 384,383	\$ 215,828
Capital assets, net of accumulated depreciation	31,345	49,965	82,716
<b>Total assets</b>	<b>\$ 296,417</b>	<b>\$ 434,348</b>	<b>\$ 298,544</b>
Current liabilities	\$ 84,350	\$ 258,435	\$ 111,576
Net assets:			
Invested in capital assets	\$ 31,345	\$ 49,965	\$ 82,716
Unrestricted	180,722	125,948	104,252
<b>Total net assets</b>	<b>\$ 212,067</b>	<b>\$ 175,913</b>	<b>\$ 186,968</b>
Increase (decrease) in net assets	\$ 36,154	\$ (11,055)	\$ (58,826)

As of June 30, 2011, the unrestricted portion of KCCK-FM Radio's net assets (85%) may be used to meet KCCK-FM Radio's obligations as they come due. The invested in capital assets (i.e., equipment) portion of net assets (15%) are resources allocated to capital assets.

The primary reason for the decrease in current assets was due to the change in amounts due from Kirkwood Community College Foundation in fiscal 2011. The decrease in capital assets was due to the depreciation expense taken of \$18,620. The primary reason for the decrease in liabilities was the change in amounts due to Kirkwood Community College.

As of June 30, 2010, the unrestricted portion of KCCK-FM Radio's net assets (72%) may be used to meet KCCK-FM Radio's obligations as they come due. The invested in capital assets (i.e., equipment) portion of net assets (28%) are resources allocated to capital assets.

The primary reason for the increase in current assets was due to the change in amount due from Kirkwood Community College Foundation in fiscal 2010. The decrease in capital assets was due to the depreciation expense taken of \$32,751. The primary reason for the increase in liabilities was the change in amounts due to Kirkwood Community College.

**KCCK-FM Radio**  
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**Management's Discussion and Analysis**  
**Years Ended June 30, 2011 and 2010**

Statements of Revenues, Expenses and Changes in Net Assets

Operating revenues are received from CPB – Community Service grants and contributions from individuals and business and industry through Kirkwood Community College Foundation. Operating expenses are expenses paid to operate KCCK-FM Radio, including programming and production, and administrative expenses. Nonoperating revenues are investment income, state Board and Iowa Department of Education allocations and administrative support from Kirkwood Community College. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life. A summary of revenues, expenses and changes in net assets for the years ended June 30, 2011, 2010 and 2009 is presented below:

	Year Ended June 30,		
	2011	2010	2009
<b>Revenues:</b>			
CPB, Community Service grants	\$ 119,614	\$ 121,869	\$ 94,941
Contributions from individuals through Kirkwood Community College Foundation	257,073	226,469	190,398
Contributions from business and industry through Kirkwood Community College Foundation	40,589	48,477	129,299
Miscellaneous	25,289	9,600	14,400
<b>Nonoperating revenue:</b>			
Investment income (loss)	50,879	21,255	(33,549)
State Board and Iowa Department of Education allocations	382,805	396,421	399,068
Administrative support from Kirkwood Community College	163,543	156,896	167,750
<b>Total revenues</b>	<b>1,039,792</b>	<b>980,987</b>	<b>962,307</b>
<b>Expenses:</b>			
Programming and production	459,914	455,499	490,900
Broadcast and engineering	61,281	66,843	60,598
Program information and production	42,885	49,628	52,889
Management and general	356,836	335,327	350,313
Fund raising and membership development	42,307	32,757	32,184
Underwriting and grant solicitation	21,795	19,237	18,902
Depreciation	18,620	32,751	15,347
<b>Total expenses</b>	<b>1,003,638</b>	<b>992,042</b>	<b>1,021,133</b>
<b>Change in net assets</b>	<b>36,154</b>	<b>(11,055)</b>	<b>(58,826)</b>
<b>Net assets:</b>			
Beginning	175,913	186,968	245,794
Ending	<b>\$ 212,067</b>	<b>\$ 175,913</b>	<b>\$ 186,968</b>

The statements of revenues, expenses and changes in net assets reflect an increase in net assets for fiscal years 2011 and a decrease in net assets for fiscal years 2010 and 2009.

**KCCK-FM Radio  
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**Management's Discussion and Analysis  
Years Ended June 30, 2011 and 2010**

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Year ended June 30, 2011: Operating revenues increased \$36,150. Operating expenses increased 1% or \$11,596. The increase in operating expenses was the result of an increase in payroll expenses in 2011 over 2010 wages.

Year ended June 30, 2010: Operating revenues decreased \$22,623. Operating expenses decreased 3% or \$29,091. The decrease in operating expenses was the result of budget reductions put in place as the economy declined in 2009 and 2010.

Statements of Cash Flows

The statements of cash flows present information related to cash inflows and outflows, summarized by operating, capital financing and investing activities. Cash provided by operating activities includes State Board and Iowa Department of Education allocations, and funds received from Kirkwood Community College and others for the underwriting of programs. Cash used from capital financing activities includes the purchase of capital assets.

**Capital Assets**

As of June 30, 2011, KCCK-FM Radio had \$292,295 invested in capital assets, net of accumulated depreciation of \$260,950. As of June 30, 2010, KCCK-FM Radio had \$292,295 invested in capital assets, net of accumulated depreciation of \$242,330. As of June 30, 2009, KCCK-FM Radio had \$292,295 invested in capital assets, net of accumulated depreciation of \$209,579. Depreciation charges for fiscal 2011 and 2010 totaled \$18,620 and \$32,751, respectively. More detailed information about KCCK-FM Radio's capital assets is presented in Note 4 to the financial statements.

**Economic Factors**

KCCK's financial position was essentially unchanged in 2011.

As the economic recovery has been, and continues to be very slow, station management has examined all expense lines and trimmed expenses for fiscal year 2011. Kirkwood Community College has also increased its allocation to KCCK-FM Radio to cover increased employee benefit costs. The ability to raise donations is affected by many economic factors out of the station's control, so the current state of the economy continues to be a concern for KCCK-FM radio officials.

**Contacting KCCK-FM Radio's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of KCCK-FM Radio's finances and to show KCCK-FM Radio's accountability for the money it receives. If you have questions about this report or need additional financial information, contact KCCK-FM Radio, Dennis Green, General Manager, KCCK-FM Radio, 6301 Kirkwood Blvd. SW, Cedar Rapids, Iowa 52404.

**KCCK-FM Radio**  
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**Statements of Net Assets**  
**June 30, 2011 and 2010**

<b>Assets</b>	<b>2011</b>	<b>2010</b>
Current Assets:		
Due from Kirkwood Community College Foundation	\$ 260,767	\$ 384,383
Accounts receivable	4,305	-
<b>Total current assets</b>	<b>265,072</b>	<b>384,383</b>
Noncurrent Assets, capital assets, net of accumulated depreciation		
	31,345	49,965
	<b>\$ 296,417</b>	<b>\$ 434,348</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 6,940	\$ 8,464
Due to Kirkwood Community College	-	188,141
Deferred revenue	12,700	6,583
Compensated absences	64,710	55,247
<b>Total current liabilities</b>	<b>84,350</b>	<b>258,435</b>
Net Assets:		
Invested in capital assets	31,345	49,965
Unrestricted	180,722	125,948
	<b>212,067</b>	<b>175,913</b>
	<b>\$ 296,417</b>	<b>\$ 434,348</b>

See Notes to Basic Financial Statements.

**KCCK-FM Radio**  
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**Statements of Revenues, Expenses and Changes in Net Assets**  
**Years Ended June 30, 2011 and 2010**

	2011	2010
Operating revenues:		
CPB - Community Service grants	\$ 119,614	\$ 121,869
Contributions from individuals through Kirkwood Community College Foundation	257,073	226,469
Contributions from business and industry through Kirkwood Community College Foundation	40,589	48,477
Miscellaneous	25,289	9,600
<b>Total operating revenues</b>	<b>442,565</b>	<b>406,415</b>
Operating expenses:		
Programming and production	459,914	455,499
Broadcast and engineering	61,281	66,843
Program information and promotion	42,885	49,628
Management and general	356,836	335,327
Fund raising and membership development	42,307	32,757
Underwriting and grant solicitation	21,795	19,237
Depreciation	18,620	32,751
<b>Total operating expenses</b>	<b>1,003,638</b>	<b>992,042</b>
<b>Operating (loss)</b>	<b>(561,073)</b>	<b>(585,627)</b>
Nonoperating revenues:		
Investment earnings	50,879	21,255
State Board and Iowa Department of Education allocations	382,805	396,421
Administrative support from Kirkwood Community College	163,543	156,896
<b>Total nonoperating revenues</b>	<b>597,227</b>	<b>574,572</b>
<b>Change in net assets</b>	<b>36,154</b>	<b>(11,055)</b>
Net assets:		
Beginning	175,913	186,968
Ending	<b>\$ 212,067</b>	<b>\$ 175,913</b>

See Notes to Basic Financial Statements.

**KCCK-FM Radio**  
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**Statements of Cash Flows**  
**Years Ended June 30, 2011 and 2010**

	2011	2010
Cash Flows from Operating Activities:		
Cash received from CPB, Community Service grants	\$ 112,708	\$ 130,097
Cash received from Kirkwood Community College Foundation contributors, underwriting and other	472,157	118,556
Other operating revenues	34,007	9,600
Cash paid to employees	(988,671)	(659,883)
Cash paid to vendors and suppliers	(176,549)	(151,687)
<b>Net cash (used in) operating activities</b>	<b>(546,348)</b>	<b>(553,317)</b>
Cash Flows from Noncapital Financing Activities:		
Cash received from State Board and Iowa Department of Education allocations	382,805	396,421
Cash received for administrative support	163,543	156,896
<b>Net cash provided by noncapital financing activities</b>	<b>546,348</b>	<b>553,317</b>
<b>Change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents:		
Beginning	-	-
Ending	\$ -	\$ -
Reconciliation of Operating (Loss) to Net Cash (Used in)		
Operating Activities:		
Operating (loss)	\$ (561,073)	\$ (585,627)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation	18,620	32,751
Investment earnings	50,879	21,255
(Increase) decrease in accounts receivable	(4,305)	9,090
(Increase) decrease in due from Kirkwood Community College Foundation	123,616	(177,645)
(Decrease) in accounts payable	(1,524)	(23,419)
Increase (decrease) in due to Kirkwood Community College	(188,141)	166,780
Increase (decrease) in deferred income	6,117	(862)
Increase in compensated absences	9,463	4,360
<b>Total adjustments</b>	<b>14,725</b>	<b>32,310</b>
<b>Net cash (used in) operating activities</b>	<b>\$ (546,348)</b>	<b>\$ (553,317)</b>

See Notes to Basic Financial Statements.

**KCCK-FM Radio  
A Public Telecommunications Entity  
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**Notes to Basic Financial Statements**

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**Note 1. Nature of Business and Significant Accounting Policies**

**Nature of business:**

KCCK-FM Radio is a public telecommunication entity, a noncommercial radio station and an affiliate of the National Public Radio Network operating with a power of 10,000 watts. Emphasis is placed on service to a seven county area in East Central Iowa. KCCK-FM Radio is operated as a department of Kirkwood Community College (College). The FCC license that KCCK-FM operates under is owned by the College and the College does not charge rent.

**Significant accounting policies:**

Reporting entity: KCCK-FM Radio is a department of the College and reported as an enterprise activity of the College. These financial statements present only the financial position, changes in financial position and cash flows of the KCCK-FM Radio and do not purport to, and do not, present fairly the financial position of the College and changes in its financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

Accounting standards: KCCK-FM Radio reports under Government Accounting Standards Board (GASB) and presents its financial statements following GASB Statement No. 35, which establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following net asset categories:

**Invested in capital assets** consists of capital assets, net of accumulated depreciation.

**Unrestricted net assets** consist of net assets not subject to externally imposed stipulations. Resources may be designated for specific purposes by action of management or by the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Basic financial statements: KCCK-FM Radio, as an enterprise activity, is applying all applicable Governmental Accounting Board (GASB) pronouncements as well as following all Financial Accounting Board guidance issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. KCCK-FM Radio has elected not to apply FASB guidance subsequent to November 30, 1989.

Basis of accounting: KCCK-FM Radio's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Operating revenues result from providing services and goods in connection with the KCCK-FM Radio's principal ongoing operations. Operating expenses include the programming and production, broadcasting and engineering, general and administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**KCCK-FM Radio**  
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**Notes to Basic Financial Statements**

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**Note 1. Nature of Business and Significant Accounting Policies (Continued)**

Cash and cash equivalents: KCCK-FM Radio considers cash and all short-term cash investments that are highly liquid and, at the date of purchase, have a maturity date no longer than three months to be cash equivalents. There were no cash and cash equivalents as of June 30, 2011 and 2010.

Due from Kirkwood Community College Foundation: KCCK-FM Radio deposits any funds not used for operating purposes with the Kirkwood Community College Foundation (Foundation) to obtain greater flexibility, efficiency and return. The amounts held by the Foundation are included in due from Kirkwood Community College Foundation on the statements of net assets.

Capital assets: Capital assets are valued at historical cost if purchased. Donated capital assets are stated at fair value at date of donation. The cost of repair and maintenance is charged to expense when incurred, while the cost of renewals or substantial betterments is capitalized. Capital assets are defined by KCCK-FM Radio as assets with initial, individual costs in excess of \$5,000 and estimated useful lives in excess of two years. Depreciation is computed using the straight-line method over the estimated useful lives of the equipment held, which range from 5 to 10 years.

Compensated absences: KCCK-FM Radio employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as current liabilities. These liabilities have been computed based on rates of pay in effect as of June 30, 2011 and 2010.

Donated facilities and administrative support: KCCK-FM Radio receives the use of facilities and administrative support from the College. The value of donated facilities is computed using the valuation method currently advocated by the Corporation for Public Broadcasting and is based on the original cost of the facilities. Administrative support is based on KCCK-FM Radio's operating expenses compared to the College's administrative costs. Physical plant support is based on the square footage used. The fair value of this support is recognized in the statements of revenues, expenses and changes in net assets as indirect administrative support and also as expense in the management and general expense category.

Corporation for Public Broadcasting Community Service Grants: The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSG's are used to augment the financial resources of public broadcasting entities and thereby enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of participants for purposes relating primarily to production and acquisition of programming. The grants may also be used to sustain activities begun with CSGs awarded in prior years.

Reclassification: Certain amounts in the prior year financial statements have been reclassified, with no effect on net assets, change in net assets or change in cash and cash equivalents, to conform to current year presentations.

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**Notes to Basic Financial Statements**

**Note 2. Due from Kirkwood Community College Foundation**

During the year ended June 30, 2010, KCCK-FM Radio elected to transfer its cash and investments to the Foundation to pool with the Foundation's cash and investments so that KCCK-FM Radio can maximize its investment return. The amounts reported as due from Kirkwood Community College Foundation represents cash and investments held by the Foundation for KCCK-FM Radio. KCCK-FM Radio reported investment income of \$50,879 and \$21,255 for the years ended June 30, 2011 and 2010, respectively, due to the pass through of realized and unrealized losses recorded by the Foundation. In addition, the Kirkwood Community College Foundation collects contributions from individuals, business and industry for KCCK-FM Radio.

**Note 3. Kirkwood Community College Allocations and Due from/to Kirkwood Community College**

The College pays all expenses, including salaries, for KCCK-FM Radio. The College allocates these expenses, direct costs, to KCCK-FM Radio. Included in these expenses is a provision for sharing in the College's risk management program and the College's various other employee benefit programs.

Revenues for the State Board and Iowa Department of Education allocations from the College are determined by recording revenue in an amount equal to direct salaries and fringe benefit expenses plus allocations of other salaries and fringe benefit expenses based on a percentage of time spent as well as adding certain other direct expenses. Administrative support revenues from Kirkwood Community College and the related expense are determined by allocating a percentage of indirect costs for institutional support using the percentage of direct costs of KCCK-FM Radio to overall institutional support expenses. In addition, an allocation for property, plant and equipment is made based upon KCCK-FM Radio's square footage usage.

The net effect of the allocations above results in an amount due to or due from the College. As of June 30, 2011 and 2010, KCCK-FM Radio owed the College none and \$188,141, respectively.

**Note 4. Capital Assets**

Capital assets activity for the years ended June 30, 2011 and 2010 is as follows:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets being depreciated, equipment	\$ 292,295	\$ -	\$ -	\$ 292,295
Less accumulated depreciation for equipment	242,330	18,620	-	260,950
<b>Capital assets, net</b>	<b>\$ 49,965</b>	<b>\$ (18,620)</b>	<b>\$ -</b>	<b>\$ 31,345</b>

  

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets being depreciated, equipment	\$ 292,295	\$ -	\$ -	\$ 292,295
Less accumulated depreciation for equipment	209,579	32,751	-	242,330
<b>Capital assets, net</b>	<b>\$ 82,716</b>	<b>\$ (32,751)</b>	<b>\$ -</b>	<b>\$ 49,965</b>

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**Notes to Basic Financial Statements**

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**Note 5. Iowa Public Employees Retirement System**

KCCK-FM Radio, through Kirkwood Community College, contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

For the years ended June 30, 2011 and 2010, plan members were required to contribute 4.50% and 4.30%, respectively, of their annual covered salary and KCCK-FM Radio is required to contribute 6.95% and 6.65%, respectively, of annual covered payroll. Contribution requirements are established by state statute. Contributions made on behalf of KCCK-FM Radio are included in the allocation determined by the College as discussed in Note 3.

**Note 6. Teachers Insurance and Annuity Association,  
College Retirement Equities Fund (TIAA-CREF)**

KCCK-FM Radio, through Kirkwood Community College, contributes to the TIAA-CREF retirement program, which is a defined contribution plan. TIAA-CREF administers the retirement plan for the College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible KCCK-FM Radio employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. For the years ended June 30, 2011 and 2010, each employee was required to contribute 4.50% and 4.30%, respectively, of their annual covered salary and KCCK-FM Radio was required to contribute 6.95% and 6.65%, respectively, of annual covered payroll. Contribution requirements are specified by the contract with TIAA-CREF and in accordance with the Code of Iowa. Contributions made on behalf of KCCK-FM Radio are included in the allocation determined by the College as discussed in Note 3.